

In the Matter of)	
)	
Implementation of Section 6002(b) of the)	WT Docket No. 11-186
Omnibus Budget Reconciliation Act of 1993)	
)	
Annual Report and Analysis of Competitive)	
Market Conditions With Respect to Mobile)	
Wireless, including Commercial Mobile)	
Services)	

REPLY COMMENTS OF VERIZON WIRELESS

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**Before the
Federal Communications Commission
Washington, DC 20554**

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To: The Commission

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I. INTRODUCTION AND SUMMARY

Verizon Wireless hereby submits these reply comments in response to the Public Notice in the above-captioned proceeding.¹ That Public Notice appropriately sought submissions containing facts and data on the state of competition in the wireless industry.² Verizon Wireless and others supplied figures, charts, graphs, and other information detailing, among other things:

- How “mix-and-match” competition among wireless services, devices, operating systems, applications, and content is driving constant innovation;³

¹ *Wireless Telecommunications Bureau Seeks Comment on the State of Mobile Wireless Competition*, Public Notice, DA 11-1856 (Nov. 3, 2011).

² *Id.* at 2 (“[W]e are interested in obtaining data and metrics that quantify the importance of mobile data and mobile broadband services. These would include detailed, comprehensive, historical measurements of mobile data traffic, usage, subscribers, and devices. This *Public Notice* contains a series of questions asking for data and analytic recommendations related to that effort.”).

³ Comments of Verizon Wireless, WT Docket No. 11-186, 1-7 (filed Dec. 5, 2011)
(continued on next page)

- The fierce price and non-price competition among providers;⁴
- The broad range of mobile service providers in the market;⁵
- The extraordinary level of competition and consumer usage in the United States in comparison to other nations;⁶
- High and rising levels of consumer satisfaction;⁷
- The role devices, applications, and content play in promoting competition and spurring usage;⁸ and
- Intense competition in the upstream backhaul, infrastructure, and spectrum segments.⁹

The data, statistics, and other information provided by Verizon Wireless and other parties¹⁰

overwhelmingly demonstrate that competition in the wireless industry—as well as its input and

(“Verizon Wireless Comments”); *see also* Comments of AT&T Inc., WT Docket No. 11-186, 30-32 (filed Dec. 5, 2011) (“AT&T Comments”).

⁴ Verizon Wireless Comments at 8-44; *see also* Comments of CTIA-The Wireless Association, WT Docket No. 11-186, 4-16, 53-57 (filed Dec. 5, 2011) (“CTIA Comments”); AT&T Comments at 18-30; Comments of Sprint Nextel Corporation, WT Docket No. 11-186, 3-7, 14-15 (filed Dec. 5, 2011) (“Sprint Comments”).

⁵ Verizon Wireless Comments at 44-62; *see also* AT&T Comments at 6-18; Comments of MetroPCS Communications, Inc., WT Docket No. 11-186, 15-17 (filed Dec. 5, 2011) (“MetroPCS Comments”).

⁶ Verizon Wireless Comments at 62-66; *see also* CTIA Comments at 62-66; Thomas W. Hazlett, Working Paper: The Federal Communications Commission’s Excellent Mobile Competition Adventure, No. 11-46, at 3-4 (Nov. 2011) (“Hazlett”), attached to Letter from Jerry Brito, Mercatus Center, George Mason University, to Marlene H. Dortch, FCC, WT Docket No. 11-186 (filed Nov. 22, 2011).

⁷ Verizon Wireless Comments at 66-73.

⁸ Verizon Wireless Comments at 73-97; *see also* CTIA Comments at 16-34; Hazlett at 14-22; MetroPCS Comments at 10-15.

⁹ Verizon Wireless Comments at 97-111; *see also* AT&T Comments at 42-48.

¹⁰ *See generally* CTIA Comments; AT&T Comments; Sprint Comments.

downstream segments—is intense, growing, and providing consumers with even more choices among wireless services, devices, and applications to meet their personal needs.

As in prior proceedings on the state of competition in the wireless industry, the few commenters who complain about the state of the industry fail to provide reliable facts or meaningful data to support their cases.¹¹ These omissions are significant in a proceeding in which the Commission specifically asked for data and analysis regarding the marketplace. Instead, these parties again rely on mere rhetoric in repeating their calls for new regulation and fail to provide any evidence of market failure.¹² In the few instances in which they attempt to analyze the state of the market, as requested by the Commission, their claims are unsupported and erroneous. Indeed, many of commenters’ claims are disproved by the evidence Verizon Wireless and others submitted in the record. For example, commenters’ claims that market concentration has recreated a wireless “duopoly” and that “mix-and-match” competition among

¹¹ See Comments of Free Press, WT Docket No. 11-186 (filed Dec. 5, 2011) (“Free Press Comments”); Comments of RCA – The Competitive Carriers Association, WT Docket No. 11-186 (filed Dec. 5, 2011) (“RCA Comments”).

¹² See Timothy J. Muris, *Antitrust in a High-Tech World: Innovation Suffers when Regulators Penalize Businesses for their Success in the Marketplace*, THE WALL STREET JOURNAL, Aug. 11, 2010 (“When a competitor tells government that its rival acts unfairly, the complaint should be viewed with great suspicion. . . . Competitors can provide valuable information about marketplace realities, but they have every incentive to misuse the government to obtain an advantage that is otherwise unattainable. . . . [I]f an economist ‘finds a business practice . . . he does not understand, he looks for a monopoly explanation.’ . . . So when faced with complex business practices whose motivation and impact is not obvious, competition authorities should be particularly cautious not to limit or forestall innovation or to launch massive, costly investigations simply because competitors complain. . . . Complaining competitors often want innovators to be forced to share the source of that success . . . Nothing could be more destructive of the incentives for future innovation than rules that prevent innovators from reaping the full benefits of their work. . . . [Regulators] must ensure that the players are penalized only for breaking the rules, not for winning.”).

different sectors of the mobile ecosystem does not impact competition in the wireless industry ignore market behavior as documented in Verizon Wireless' initial comments demonstrating robust competition. Similarly, commenters repeat calls for increased regulation of spectrum access, handsets, roaming, and backhaul without acknowledging market realities, such as the success of the Commission's auction and secondary markets policies, the availability of handsets to many providers, and the ability to obtain roaming and backhaul from a variety of providers.

II. CLAIMS REGARDING MARKET STRUCTURE, MARKET BEHAVIOR, AND COMPETITION ARE ERRONEOUS.

Claim: Market concentration effectively has recreated a wireless “duopoly.”

Fact: More than 90 percent of Americans are served by four or more providers, and new providers are continuing to enter the market.

RCA alleges that “[t]he wireless industry is highly concentrated and is becoming a *de facto* duopoly.”¹³ Its filing, however, lacks economic analysis or rigor and ignores the facts. Instead, RCA simplistically (and wrongly) equates its claims of increased concentration with suggestions of duopoly and lack of competition. As the economics literature makes clear, however, even a very high market share will not necessarily denote market power.¹⁴

¹³ RCA Comments at 4.

¹⁴ See, e.g., Phillip E. Areeda and Herbert Hovenkamp, ANTITRUST LAW: AN ANALYSIS OF ANTITRUST PRINCIPLES AND THEIR APPLICATION §506d (2007) (“Substantial market power can persist only when there are significant and continuing barriers to expansion and entry.”); *id.* §506a (“[T]he degree of market power depends on the response of buyers to price changes. Greater responsiveness (greater ‘elasticity’ of demand) minimizes market power.”); Michael L. Katz and Howard A. Shelanski, “‘Schumpeterian’ Competition and Antitrust Policy in High-Tech Markets,” *Competition* 14 (2005) at 10 (“Under the Schumpeterian view that competition consists of repeated waves of innovation that sweep aside ‘dominant’ incumbents, current product-market shares may indicate very little about the future of the industry or about whether any given firm will possess significant market power.”).

Furthermore, RCA simply ignores the wealth of pricing and other market data that demonstrate that consumers are enjoying great innovation, more choices and lower prices for many wireless plans and devices.

The record in this proceeding clearly demonstrates that there is no “duopoly.” As MetroPCS stated, “[t]he retail mobile wireless services marketplace is unquestionably competitive, with five to six retail facilities-based competitors and numerous mobile virtual network operators in most metropolitan areas. . . . [Thus], [c]ontrary to the Commission’s findings in the prior two mobile wireless competition reports, . . . ‘effective competition’ currently does exist in the wireless industry.”¹⁵ In addition, Verizon Wireless’ initial comments showed that it faces stiff competition from Sprint, T-Mobile, MetroPCS, Leap, TracFone (the nation’s 5th largest wireless service provider), Clearwire, , other regional and small providers, new and emerging entrants, and intermodal competitors, as well as AT&T.¹⁶ According to the FCC’s own analysis, 94.3 percent of American consumers have a choice of at least four mobile wireless service providers and 97.2 percent have a choice of at least three providers.¹⁷ Moreover, 81.7 percent of Americans live in census tracts served by three or more mobile broadband providers.¹⁸ These providers, moreover, are investing billions of dollars to upgrade service and

¹⁵ MetroPCS Comments at 1.

¹⁶ See Verizon Wireless Comments at 44-55.

¹⁷ *Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993, Annual Report and Analysis of Competitive Market Conditions With Respect to Mobile Wireless, including Commercial Mobile Services*, Fifteenth Report, 26 FCC Rcd 9664, 9669 (¶ 2) (June 27, 2011) (“*Fifteenth Report*”).

¹⁸ *Fifteenth Report* at 9670 (¶ 2).

cutting prices in order to win and retain subscribers in the hotly contested mobile services market.¹⁹

Claims of a wireless duopoly also ignore evidence of providers' actual market behavior. As Verizon Wireless explained in detail in its opening comments, the market is characterized by extensive price and non-price competition. Rates for voice, data, and messaging services continue to fall dramatically, with prepaid providers continuing to exert strong downward pressure on rates.²⁰ Moreover, wireless providers continue to increase their capital investment, working to expand their 3G and 4G footprints in order to attract and retain customers.²¹ Providers also compete for access to the best devices, operating systems, content, and applications so that they may offer their customers the "value stacks" that they demand.²² In addition, providers compete to provide extensive information to existing and prospective customers, and to offer the best customer service – as evidenced by satisfaction that levels remain extremely high.²³ In short, provider behavior in the mobile wireless market refutes any suggestion of a duopoly.

None of this should come as a surprise. As Verizon Wireless detailed in its comments, the advent of "modular" mix-and-match competition leads to intense rivalry throughout the

¹⁹ CTIA Comments at 4-6 ("By mid-year 2011, U.S. wireless providers' cumulative capital expenditures totaled more than \$322 billion, with wireless providers having spent over \$27 billion in the preceding 12-month period"). *See also* Hazlett at 13-14.

²⁰ *See* Verizon Wireless Comments at 8-29.

²¹ *See id.* at 30-39.

²² *See id.* at 1-7.

²³ *See id.* at 39-43.

mobile ecosystem.²⁴ Wireless service providers compete not only with one another, but also with device manufacturers, operating system developers, and developers of applications and content. Sometimes, these providers enter one another's markets directly. Even when they do not, however, they still compete against one another to draw customer interest and drive consumer choice. In this environment, providers must constantly innovate in order to survive. As shown in Verizon Wireless's initial comments, this has led to enormous consumer benefit.

Claim: Other elements of the mobile ecosystem do not have a competitive impact on the mobile services market.

Fact: Mix-and-match competition has a significant impact on the mobile wireless market, as it does in all other markets.

Free Press repeatedly fails to recognize the competitive role played in the mobile ecosystem by entities other than service providers themselves—device manufacturers, operating system developers, and even alternative wireless access technologies. For example, Free Press claims that the impact on competition of tablets and other similar devices is “significantly diluted” because a large portion of the traffic associated with such devices “does not, in fact, travel through cell towers or over any part of the mobile wireless network infrastructure.”²⁵ This claim misunderstands the nature of market competition, and is in fact belied by Free Press's own filing.

First, Free Press's claim reflects a failure to comprehend the nature of competition in a dynamic market. As the Commission and other regulatory bodies have long recognized, intermodal competition is real and important: Trucks and trains compete to ship goods, just as

²⁴ See *id.* at 1-7.

²⁵ Free Press Comments at 11. A separate Free Press claim, relating to the role played by devices in the current marketplace, is addressed below.

cable and wireline (and, increasingly, wireless) providers compete to offer telephone and video service. So, too, WiFi service offered over tablets, smartphones and other devices competes against the licensed offerings of wireless service providers. The claim that this traffic is irrelevant simply because it does not travel over licensed spectrum or carrier networks defies basic economics.

Second, Free Press's own filing implicitly acknowledges that wireless providers are reacting to and competing with services and devices that do not travel over their networks. For example, Free Press notes that wireless handsets sold by providers frequently include WiFi capabilities and that wireless providers have deployed thousands of WiFi hot spots nationwide in response to consumers' increasing reliance on WiFi.²⁶ Indeed, as Verizon Wireless detailed in its comments, the mobile ecosystem is now characterized by cooperation *and* competition between wireless providers and providers of other services that both complement and substitute for wireless providers' services (*e.g.*, WiFi).²⁷ This dynamic is driving innovation and competition throughout the industry.²⁸

²⁶ *Id.* at 10.

²⁷ Verizon Wireless Comments at 5-6.

²⁸ *Id.* at 3-5.

III. CLAIMS SEEKING NEW REGULATION ARE ERRONEOUS AND INAPPROPRIATE IN THIS PROCEEDING.

Claim: Eligibility requirements are necessary to preserve competition.

Fact: While all wireless providers would benefit from the allocation of additional spectrum, the FCC's existing auction and secondary markets policies ensure providers of all sizes have access to available spectrum.

Several commenters ask the FCC to adopt new rules or policies, such as eligibility requirements or bidding credits, that they claim would provide small wireless providers with better access to spectrum.²⁹ NTCA, for example, alleges that recent auctions have been structured in ways that precluded small and mid-size carriers from obtaining spectrum,³⁰ and Council Tree asks the Commission to apply eligibility restrictions to certain blocks of licenses in future auctions “so that they are available only to those qualifying as smaller businesses.”³¹ MetroPCS, RCA, and Council Tree also ask the FCC to implement a new bidding credit for auction participants.³² Parties in favor of these requirements offer no economic, factual or data-driven analysis to support the assertion that the FCC should restrict who may acquire additional spectrum.

²⁹ RCA Comments at 11-12; Comments of the National Telecommunications Cooperative Association, WT Docket No. 11-186, 4-5 (filed Dec. 5, 2011) (“NTCA Comments”); MetroPCS Comments at 37-38; Letter from Jonathan Glass, Council Tree Investors, Inc. to Marlene H. Dortch, FCC, WT Docket No. 11-186 (filed Dec. 5, 2011) (“Council Tree Letter”).

³⁰ NTCA Comments at 4 (“The top nationwide carriers have dominated the last few spectrum auctions.”).

³¹ Council Tree Letter at 2.

³² MetroPCS Comments at 38; RCA Comments at 11; Council Tree Letter at 2.

Verizon Wireless agrees that there is a need to identify and allocate new spectrum for commercial mobile wireless services and commends the Commission and Administration for committing to identify and make available 500 MHz of spectrum for wireless broadband use.³³ However, as detailed below, mid-size and smaller carriers have succeeded, and continue to succeed, in obtaining access to spectrum, both through the auction of “new” spectrum and through secondary market transactions.

Mid-size and smaller wireless providers have successfully obtained spectrum through auctions. As previously noted by Verizon Wireless, over 50 percent of all licenses sold in the AWS-1 Auction were won by businesses claiming designated entity status.³⁴ Likewise, 69 percent of all licenses sold in the 700 MHz Auction were acquired by non-nationwide providers, and 55 percent were won by small businesses claiming designated entity status.³⁵

In addition, mid-size and smaller carriers have the ability to—and routinely do—acquire spectrum in the secondary market.³⁶ As Verizon Wireless demonstrated in its opening comments, more than two-thirds of license assignments and transfers between January 2010 and

³³ The Omnibus Broadband Initiative, *Connecting America: National Broadband Plan*, at 75, 84-85 (2010), <http://www.broadband.gov/download-plan/> (“National Broadband Plan”); The White House, *Presidential Memorandum: Unleashing the Wireless Broadband Revolution* (June 28, 2010), <http://www.whitehouse.gov/the-press-office/presidential-memorandum-unleashing-wireless-broadband-revolution>.

³⁴ See Verizon Wireless Comments at 56.

³⁵ *Id.*

³⁶ *Id.* at 57-62.

October 2011 did not involve, as either buyer or seller, any entity affiliated with AT&T, Verizon Wireless, Sprint, or T-Mobile.³⁷

In sum, the Commission's existing auction and secondary markets policies are working, enabling access to spectrum for nationwide, regional, and smaller wireless carriers alike. Eligibility requirements and/or new bidding credits are therefore unnecessary.

In addition to the requests for eligibility requirements and new bidding credits made by several commenters, Sprint suggests that the Commission should differentiate among different spectrum bands based on value. According to Sprint's filing in this proceeding, "lower-frequency spectrum tends to be worth a lot more than higher-frequency spectrum."³⁸ As Verizon Wireless demonstrated in its initial comments, however both lower-frequency spectrum and higher-frequency spectrum offer benefits for broadband service.³⁹ That different bands have different advantages and disadvantages is widely recognized and does not justify treating them differently for purposes of this proceeding. Indeed, in other contexts, Sprint has stated that "having more spectrum available is a far greater advantage than the frequency band it occupies."⁴⁰

³⁷ *Id.* at 60-62.

³⁸ Sprint Comments at 16.

³⁹ Verizon Wireless Comments at 125-135.

⁴⁰ Sprint, Presentation, "Mobile WiMAX: The 4G Revolution Has Begun," Version 1.0, at 12, http://www4.sprint.com/servlet/whitepapers/dbdownload/Mobile_WiMAX_The_4G_Revolution_Has_Begun_Jan2010.pdf?table=whp_item_file&blob=item_file&keyname=item_id&keyvalue=%274v994ya%27.

Claim: Rural, mid-tier, and smaller carriers are unable to obtain handsets.

Fact: Rural, mid-tier, and smaller carriers offer a wide variety of devices.

Parties also use this proceeding to recycle claims they made in the Commission's handset exclusivity docket.⁴¹ These claims are the subject of a separate rulemaking proceeding, and parties fail to provide any new information, facts, or data that have not already been raised in those proceedings.⁴² Verizon Wireless has addressed commenters' conclusory and unsupported claims in the records of those proceedings and sees no need to burden the record in this proceeding by responding again.⁴³

In any event, while these commenters are correct that consumers increasingly focus on the device when making wireless service purchasing decisions, they ignore the fact that wireless providers of all sizes offer a wide range of smartphones and other devices, and that "exclusive" arrangements are, if anything, on the decline. As Verizon Wireless explained in its opening comments, there are more than thirty-two different handset manufacturers selling devices in the United States,⁴⁴ distributing devices both on their own and through a broad range of service

⁴¹ See Free Press Comments at 5-7; MetroPCS Comments at 25-28; NTCA Comments at 3.

⁴² See Rural Cellular Association, Petition for Rulemaking Regarding Exclusivity Arrangements Between Commercial Wireless Carriers and Handset Manufacturers, RM-11497 (filed May 20, 2008).

⁴³ See, e.g., Comments of Verizon Wireless Requesting Dismissal or Denial of Petition, RM-11497 (filed Feb. 2, 2009).

⁴⁴ See CTIA, THE WIRELESS INDUSTRY OVERVIEW 13 (June 13, 2011), http://files.ctia.org/pdf/061311_-_Wireless_Industry_Overview.pdf.

providers. RIM distributes its products through at least thirty-four U.S. carriers or vendors,⁴⁵ Kyocera through at least fifteen,⁴⁶ Samsung through at least fifteen,⁴⁷ Motorola through at least six,⁴⁸ and Apple through five.⁴⁹ Google has released a variety of unlocked devices,⁵⁰ and most carriers – including regional and small operators – offer at least one Android smartphone.⁵¹ This

⁴⁵ See Research In Motion Limited, Buy BlackBerry Devices, Accessories & Software, <http://us.blackberry.com/where-to-buy/> (last visited Nov. 22, 2011) (click “Select a carrier” for list of carriers through which RIM products can be purchased).

⁴⁶ See Kyocera, Phones, <http://kyocera-wireless.com/phones/all.cfm> (last visited Nov. 22, 2011) (Click on each handset model, then click on “where to buy” for a list of wireless service providers for that particular device).

⁴⁷ See Samsung, All Cell Phones, <http://www.samsung.com/us/mobile/cell-phones/all-products> (last visited Nov. 22, 2011) (Click on each handset model, then click on “Shop” for a list of wireless service providers for that particular device).

⁴⁸ See Motorola, Mobile Phones, <http://www.motorola.com/Consumers/US-EN/Consumer-Product-and-Services/Mobile-Phones/> (last visited Nov. 22, 2011).

⁴⁹ See Apple Inc., Where to Buy iPhone, <http://www.apple.com/iphone/buy/> (last visited Nov. 22, 2011).

⁵⁰ See Press Release, Google, Google Offers New Model for Consumers to Buy a Mobile Phone (Jan. 5, 2010), http://www.google.com/intl/en/press/pressrel/20100105_phone.html; Andy Rubin, *Introducing Nexus S with Gingerbread*, GOOGLE BLOG, Dec. 6, 2010, <http://googleblog.blogspot.com/2010/12/introducing-nexus-s-with-gingerbread.html>; Press Release, Samsung, Samsung and Google Introduce GALAXY Nexus (Oct. 19, 2011), <http://www.samsungmobilepress.com/2011/10/19/Samsung-and-Google-introduce-GALAXY-Nexus>.

⁵¹ See JR Raphael, *Samsung Galaxy S: A Carrier-By-Carrier Guide*, COMPUTERWORLD, Jun. 28, 2010, http://blogs.computerworld.com/16420/samsung_galaxy_s; U.S. Cellular, Phone Detail for Samsung Mesmerize™, <http://www.uscellular.com/uscellular/cell-phones/showPhoneDetails.jsp?productId=prod60188> (last visited Nov. 22, 2011); Immix Wireless, Phones: Samsung Galaxy S 2, <http://www.immix.com/devices/samsung/galaxy-s2.html> (last visited Nov. 22, 2011); Terrence O’Brien, *Galaxy S II finally lands on American shores for Sprint, T-Mobile and AT&T*, ENGADGET, Aug. 30, 2011, (continued on next page)

year, moreover, Apple began offering the iPhone on several different wireless networks, including C Spire's network.⁵²

Thus, claims suggesting that smaller carriers lack access to cutting-edge smartphones are simply wrong.

Claim: Rural, mid-tier, and smaller carriers are unable to obtain roaming, backhaul or other agreements.

Fact: Rural, mid-tier, and smaller carriers have successfully entered into such arrangements.

Finally, several parties use this proceeding to make unsubstantiated claims about their ability to obtain data roaming agreements or other arrangements.⁵³ Earlier this year, the Commission dealt with these claims in the data roaming proceeding by requiring facilities-based providers of commercial mobile data services to offer data roaming arrangements to other such providers on commercially reasonable terms and conditions, subject to certain limitations.⁵⁴ In addition, several regional carriers have publicly touted their nationwide coverage obtained through roaming agreements.⁵⁵ To the extent wireless providers are dissatisfied with the

<http://www.engadget.com/2011/08/30/galaxy-s-ii-finally-lands-on-american-shores-for-sprint-t-mobil/>.

⁵² See Apple Inc., Where to Buy iPhone, <http://www.apple.com/iphone/buy/> (last visited Dec. 15, 2011).

⁵³ See Free Press Comments at 7-8; RCA Comments at 14-17; MetroPCS Comments at 22-25; NTCA Comments at 3-4.

⁵⁴ See *Reexamination of Roaming Obligations of Commercial Mobile Radio Service Providers*, Second Report and Order, 26 FCC Rcd 5411 (2011) (“Data Roaming Order”) (appeal pending).

⁵⁵ See, e.g., MetroPCS Communications Inc., Form 10-Q (Third Quarter 2011 Earnings Report) at 23 (discussing service plans “offering nationwide voice, text messaging and web (continued on next page)

negotiation process or the terms and conditions for roaming, they may file a complaint with the Commission pursuant to the procedures established in the Commission's data roaming order.⁵⁶

Commenters' claims about their ability to obtain backhaul are similarly unsubstantiated and are being fully addressed in other proceedings before the FCC.⁵⁷ In any event, as Verizon Wireless demonstrated in its initial comments, the marketplace for backhaul is marked by growth, competition, diverse suppliers and service offerings, and continuous innovation.⁵⁸ Indeed, there are a growing number of providers of backhaul services in the marketplace, stemming from the dynamic changes in the market that have allowed a variety of providers to enter. Sprint has cited to its own experiences working with "25 to 30 significant backhaul providers" that will likely be a mix of incumbent LECs, cable MSOs, and alternative carriers.⁵⁹ Similarly, Verizon has described the large number of providers from which it purchases high-

browsing services on an unlimited basis beginning at \$40 per month"), *available at* <http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9NDUwMTgyfENoaWxkSUQ9NDc0ODc0fFR5cGU9MQ==&t=1>; Leap Wireless International, Inc., Form 10-Q (Third Quarter 2011 Earnings Report) at 4 (touting "unlimited nationwide wireless services"), *available at* <http://services.corporate-ir.net/SEC/Document.Service?id=P3VybD1odHRwOi8vaXIuaW50Lndlc3RsYXdidXNpbmVzcy5jb20vZG9jdW1lbnQvdjEvMDAwMTA2NTA0OS0xMS0wMDAwMDkvZG9jL0xlYXBXaXJlbGVzc0ludGVybmF0aW9uYWxfMTBRXzIwMTEwMTA2LnBkZiZ0eXBIPmZm49TGvhcFdpcmVsZXNzSW50ZXJuYXRpb25hbF8xMFFfMjAxMTEwMDAwMDMucGRm>.

⁵⁶ *Data Roaming Order*, 26 FCC Rcd at 5448-5453 (¶¶ 74-87).

⁵⁷ *See Parties Asked to Comment on Analytical Framework Necessary to Resolve Issues in the Special Access NPRM*, Public Notice, 24 FCC Rcd 13638 (2009).

⁵⁸ Verizon Wireless Comments at 99-107.

⁵⁹ Carol Wilson, *Sprint to Reveal Backhaul Contract Winners Friday*, LIGHT READING, Oct. 5, 2011, http://www.lightreading.com/document.asp?doc_id=213050.

capacity services.⁶⁰ Many of these providers offer multiple widely-available discount plans which provide a substantial savings off of rack rates, and which contain a broad range of terms and conditions that will meet the needs of a variety of backhaul purchasers. These plans are highly attractive to customers, with large percentages of customers purchasing pursuant to these plans and receiving substantial discounts. Customers are also able to readily transition from one provider to another within the marketplace, taking advantage of new entrants or competitive offerings.

⁶⁰ See Comments of Verizon, *Competition Data Request; Special Access Rates for Price Cap Local Exchange Carriers*; AT&T Corp. Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Services, WC Docket No. 05-25, RM-10593 (Dec. 5, 2011); Comments of Verizon, *Data Request; Special Access Rates for Price Cap Local Exchange Carriers*; AT&T Corp. Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Services, WC Docket No. 05-25, RM-10593 (Jan. 27, 2011).

IV. CONCLUSION

For the reasons discussed herein and in Verizon Wireless' initial comments in this proceeding, the Commission should find that the mobile services market and adjacent markets subject to this review are "effectively competitive" and are producing substantial—and growing—consumer benefits.

Respectfully submitted,

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